



# Building a Tailored INVESTMENT PORTFOLIO

*Always Putting Clients First*

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# TEAM STRIKE ZONE



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# AGENDA



1. P.E.S.T.E.L. Analysis

2. Feasibility Study and Recommendation

3. Target Persona

4. Investment Thesis

5. Risk Assessment Matrix / Mitigation Strategy

6. Profit And Loss Scenario Analysis

# MORGAN STANLEY VALUES

Morgan  
Stanley



## Put Clients First

*Keep the client's interests first*

*Work with colleagues to deliver the best of the Firm to every client*

*Listen to what the client is saying and needs*

## Lead with Exceptional Ideas

*Win by breaking new ground*

*Leverage different perspectives to gain new insight*

*Drive innovation*

*Be vigilant about what we can do better*

## Do the Right Thing

*Act with integrity*

*Think like an owner to create long-term shareholder value*

*Value and reward honesty and character*



# P.E.S.T.E.L ANALYSIS

## POLITICAL

- Recent Presidential Election
- Trump's actions/opinions
- Cabinet Elections
- Republicans criticizing Fed's actions
- Trump wants Fed to lower interest rates<sup>1</sup>

## ECONOMIC

- NOT stable
- Tariffs
- Inflation rate: Fed is not changing interest rates
- De-dollarization
- Increase in TB = more expensive to borrow

## SOCIAL

- Heavy Focus on AI
- Decrease in ESG initiatives<sup>2</sup>

## TECHNOLOGY

- FinTech, bitcoin, Gen AI

## ENVIRONMENTAL

- Climate change (Withdrew from Paris Climate Agreement)<sup>3</sup>
- Transition to low carbon economy

## LEGAL

- 401(k) increase from 23000 to 23500
- Catchup contributions

<sup>1</sup> <https://fortune.com/article/why-does-trump-want-lower-interest-rates/>

<sup>2</sup> <https://www.esgtoday.com/esg-funds-experience-record-outflows-in-q1-2025/>

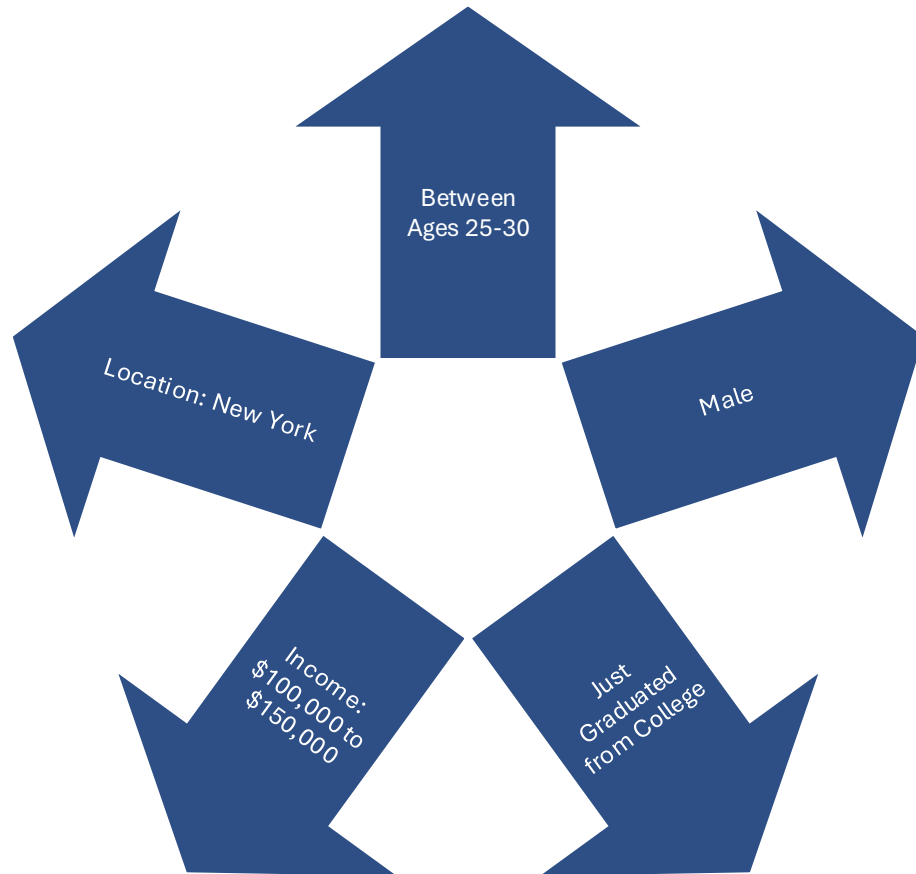
<sup>3</sup> [https://www.europarl.europa.eu/thinktank/en/document/EPRS\\_ATA\(2025\)767230](https://www.europarl.europa.eu/thinktank/en/document/EPRS_ATA(2025)767230)

# FEASIBILITY STUDY & RECOMMENDATION



- **Purpose:** Build a 60/40 retirement portfolio for early retirement (age 45)
- **Problem:** Balance growth, income, and downside protection in today's market
- **Criteria:** Client retires by 45; Morgan Stanley remains profitable
- **Options:**
  - Emerging Markets
  - International Investments
  - Gold
- **Evaluation:**
  - Emerging Markets: High growth, high risk
  - International Investments: Diversified, currency-sensitive
  - Gold: Safe, low return
- **Recommendation:** Focus on US Index Funds & Emerging Markets for long-term growth

# TARGET PERSONA



CHALLENGES	TRUST
<p>Finding the optimal retirement plan</p> <p>Investing in things that will hold long-term value</p> <p>Client living in New York may mean higher expenses, leading to lower disposable income</p>	<p>Establishing genuine connection</p> <p>Being transparent</p> <p>Sharing similar interest</p> <p>Understanding client's objective</p>

# INVESTMENT THESIS



## EQUITIES (60%)

US Index Funds  
(25%)

Emerging Markets  
(15%)

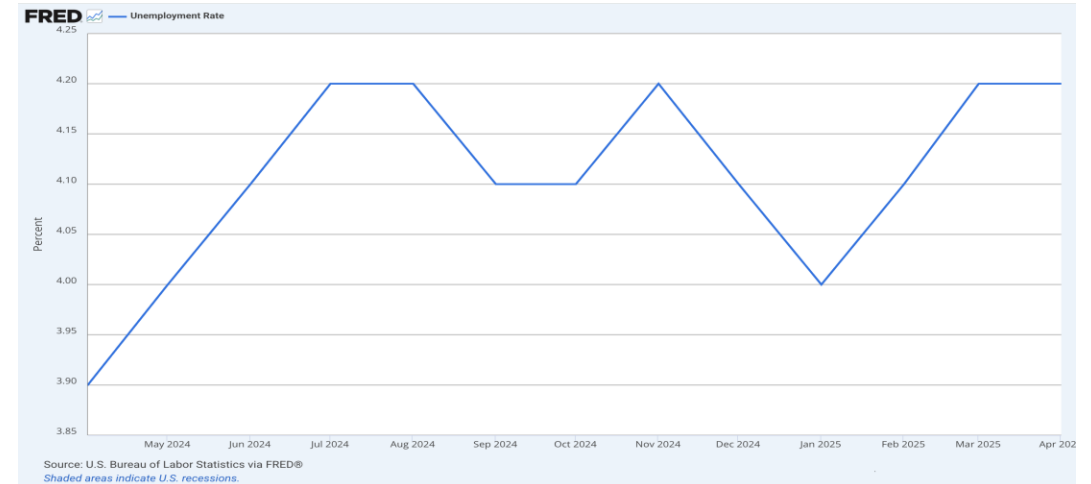
Technology Sector  
(15%)

Gold  
(5%)

## FIXED INCOME (40%)

Treasuries  
(30%)

Corporate Bonds  
(10%)





# RISK ASSESSMENT MATRIX / MITIGATION STRATEGY



<b>Inflationary Pressures</b>	Inflation erodes purchasing power—growth assets and inflation-linked securities protect long-term value.	<b>High Risk</b>	<b>80%</b>	Hedge with TIPS and commodity diversification. Preserve real returns with growth-oriented equities and a 60/40 split.
<b>Market Volatility</b>	Market shocks can affect all asset classes; diversification helps cushion losses and reduce correlation risk.	<b>High Risk</b>	<b>70%</b>	Maintain diversified exposure and stay up to date with market shifts.
<b>Regulatory Changes</b>	Regulatory shifts (e.g., interest rate policy, trade laws) can reshape market dynamics, influencing equity and bond performance alike.	<b>Moderate Risk</b>	<b>50%</b>	Monitor domestic and global policy developments; remain agile in reallocating fund; watch international trade agreements that could impact gold prices.

# PROFIT AND LOSS SCENARIO

(1 year time horizon)



**Best-Case Scenario (~+12.8% return)**

**Average-Case Scenario (~+7.6% return)**

**Worst-Case Scenario (~-6.6% return)**

## US INDEX FUNDS

12% return: Market surges with strong GDP growth and earnings.

8% return: Typical year with moderate economic growth.

-10% return: Recession or market panic causes decline.

## EMERGING MARKETS

15% return: Global demand and capital flows boost returns.

9% return: Mixed performance across countries.

-15% return: Capital flight and currency volatility.

## TECHNOLOGY SECTOR

20% return: AI and innovation drive a major rally.

10% return: Continued innovation, though more tempered.

-20% return: Valuation collapse and risk-off sentiment.

## GOLD

8% return: Benefits from inflation concerns and global uncertainty.

3% return: Mild inflation hedge, stable demand.

6% return: Increases as a hedge during crisis.

## TREASURIES

6% return: Long term: rates fall, bond prices go up. Short term: stable yields.

3% return: Long term: steady yields. Short term: reflects prevailing interest rates.

-5% return: Rates rise, hurting long-term bonds.

## CORPORATE BONDS

7% return: Low defaults and tight credit spreads.

5% return: Reasonable returns with some credit risk.

-5% return: Rising defaults in a downturn.

# Q&A / CONTACT PAGE



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